

Exhibit 24

Deposition of Robert H. Topel
(December 6, 2017)
(excerpted)

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

CUNG LE; NATHAN QUARRY, JON)	
FITCH, on behalf of)	
themselves and all others)	
similarly situated,)	
)	
Plaintiffs,)	
)	
vs.)	Case No.
)	2:15-cv-01045-RFB-(PAL)
)	
ZUFFA, LLC, d/b/a Ultimate)	
Fighting Championship and)	
UFC,)	
)	
Defendant.)	
_____)	

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CONTINUED VIDEOTAPED DEPOSITION OF

ROBERT TOPEL, VOL. II

Washington, D.C.

December 6, 2017

8:39 a.m.

REPORTED BY:
Tina Alfaro, RPR, CRR, RMR
Job No. 52570

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<p style="text-align: right;">340</p> <p>1 now you've inserted firm. So no.</p> <p>2 Q. All right. Firms in a market, if I change</p> <p>3 the -- the -- all right. I'll reask the question</p> <p>4 this way. A market can have an infinite number --</p> <p>5 in order for a market to have a horizontal supply</p> <p>6 curve there would need to be an infinite number of</p> <p>7 equivalent workers at exactly the same wage; is</p> <p>8 that right?</p> <p>9 A. No.</p> <p>10 Q. What was wrong with that?</p> <p>11 A. Infinite. Does the -- the supply curve</p> <p>12 needs to be -- can be perfectly elastic over a</p> <p>13 relevant range where demand in this market is</p> <p>14 shifting and there will be no material effect on</p> <p>15 prices. I mean, there's not an infinite number of</p> <p>16 workers anywhere.</p> <p>17 Q. Okay. So a firm would need to have a</p> <p>18 substantial material number of equivalent</p> <p>19 workers -- I mean, a market would need to have a</p> <p>20 substantial number of equivalent workers at exactly</p> <p>21 the same wage in order for there to be a horizontal</p> <p>22 supply curve; is that right?</p> <p>23 A. I said over the relevant range.</p> <p>24 Q. Over the relevant --</p> <p>25 A. So if we -- if we have -- there needs to</p>	<p style="text-align: right;">342</p> <p>1 firm's here and there's other firms and I'm going</p> <p>2 to hire -- instead of trying to attract people to</p> <p>3 my taco stand I'm going to hire people from along</p> <p>4 the road between my firm and another firm and</p> <p>5 they're all uniformly distributed. I'm making up</p> <p>6 this model. And I'll get the same taco stand kind</p> <p>7 of thing on the input side. If I want to hire more</p> <p>8 I have to reach further down the road and it's</p> <p>9 costly to drive. So I'll increase the marginal</p> <p>10 price that I pay -- I'll have to increase the</p> <p>11 marginal price that I pay.</p> <p>12 Q. Okay. So let's take your taco stand</p> <p>13 example. You have to taco stand A on one side of</p> <p>14 the road and then a mile away you have taco stand</p> <p>15 B.</p> <p>16 A. Yeah.</p> <p>17 Q. Now let's say somebody puts a toll on that</p> <p>18 road and all of a sudden in order to get from taco</p> <p>19 stand A to taco stand B it costs a hundred dollars</p> <p>20 and before it used to cost zero dollars. All</p> <p>21 things equal, would that toll increase the mobility</p> <p>22 costs of workers?</p> <p>23 MR. WIDNELL: Objection, form.</p> <p>24 BY THE WITNESS:</p> <p>25 A. So now I'm -- just -- just so I'm clear,</p>
<p style="text-align: right;">341</p> <p>1 be enough to prevent the wage from rising when</p> <p>2 demand shifts.</p> <p>3 Q. All right.</p> <p>4 A. And enough depends on the circumstances.</p> <p>5 Q. Is it fair to say that when mobility of</p> <p>6 workers is -- becomes restricted or is costly firms</p> <p>7 in that market could obtain some monopsony power?</p> <p>8 A. Your statement is so broad and vague</p> <p>9 that -- you know, I'll come back to my taco stands.</p> <p>10 And there's some costs of going to the next taco</p> <p>11 stand so that people who live closest to my taco</p> <p>12 stand prefer my taco stand to the taco stand that's</p> <p>13 further away even though our tacos are in all other</p> <p>14 respects identical. That means that if I cut the</p> <p>15 price of my tacos more people come to me. If I</p> <p>16 raise the price of my tacos fewer people come to</p> <p>17 me. That is not a completely horizontal demand</p> <p>18 curve. So in that sense -- and that's the sense in</p> <p>19 which George is using it here in a lot of this</p> <p>20 discussion -- one might say that there's a degree</p> <p>21 of monopsony power if we define -- if we define</p> <p>22 monopsony power to mean that if I cut my price I</p> <p>23 sell more and if I raise my price I say monopsony</p> <p>24 power in that case. And you can do the same thing</p> <p>25 on the other side of the market. So, you know, my</p>	<p style="text-align: right;">343</p> <p>1 now I'm hiring workers for my taco stand?</p> <p>2 Q. Yes.</p> <p>3 A. So there's a toll that prevents people</p> <p>4 from the other side of town getting to my taco</p> <p>5 stand?</p> <p>6 Q. Yes, and vice-versa.</p> <p>7 A. Okay. So yeah, there's fewer people that</p> <p>8 I can hire from the other side of town.</p> <p>9 Q. So now as compared to a world with the</p> <p>10 hundred-dollar toll and the world without the</p> <p>11 hundred-dollar toll, the two taco stands in the</p> <p>12 world with the hundred-dollar toll have more</p> <p>13 monopsony power than the world without the</p> <p>14 hundred-dollar toll, correct?</p> <p>15 MR. WIDNELL: Objection, form.</p> <p>16 BY THE WITNESS:</p> <p>17 A. I think what you're trying to say is</p> <p>18 that -- let's say here's A and B taco stands and</p> <p>19 the middle of town is halfway in between, and then</p> <p>20 I build a wall, okay, the Berlin Wall there so</p> <p>21 people can't get across from -- from -- so people</p> <p>22 between halfway and my taco stand and the</p> <p>23 percentage -- there's nobody else in town -- can</p> <p>24 only work for my taco stand. They can't go work</p> <p>25 for the other taco stand.</p>

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<p style="text-align: right;">344</p> <p>1 Q. Correct.</p> <p>2 A. Is that what we're saying?</p> <p>3 Q. Yes.</p> <p>4 A. Yeah. So these people have fewer options.</p> <p>5 I got it.</p> <p>6 Q. And when you compare the world with the</p> <p>7 Berlin Wall in your example in the world without</p> <p>8 the Berlin Wall, the firm with the Berlin Wall has</p> <p>9 more monopsony power, correct?</p> <p>10 A. The firm with the -- the firm -- I -- I</p> <p>11 won't be competing as aggressively to get people</p> <p>12 from across the place where the border is now. So,</p> <p>13 you know, I don't know how things played out in the</p> <p>14 output market. I mean, I understand what you're</p> <p>15 trying to say and you're saying the same thing</p> <p>16 here, and you're saying the same thing that I said.</p> <p>17 There's a degree of monopsony power. You didn't</p> <p>18 need the wall. I already said there's a degree of</p> <p>19 what some people would call monopsony power there</p> <p>20 by the fact that it is -- it is costly to move from</p> <p>21 A to B.</p> <p>22 Q. And --</p> <p>23 A. So if it became more costly to move from A</p> <p>24 to B, that degree of -- of control over price would</p> <p>25 increase a little bit.</p>	<p style="text-align: right;">346</p> <p>1 Q. So all things equal, the higher the</p> <p>2 mobility costs in the example the more monopsony</p> <p>3 power the firms in that example have, all things</p> <p>4 equal; is that right?</p> <p>5 MR. WIDNELL: Objection, form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. It was important that you said twice "in</p> <p>8 that example." So I agree.</p> <p>9 Q. And in that example we're talking about</p> <p>10 taco stands, right? These aren't Taco Bell, right?</p> <p>11 It could be a small firm that has some degree of</p> <p>12 monopsony power; is that right?</p> <p>13 A. Yes. Well, as the term -- as we're using</p> <p>14 the term. It's just a dangerous term on both sides</p> <p>15 of the market.</p> <p>16 Q. Is it fair to say that one reason why</p> <p>17 non-Zuffa firms employ some of the challenged</p> <p>18 contractual provisions that we've talked about is</p> <p>19 to restrain the mobility of the fighters that work</p> <p>20 for them?</p> <p>21 A. It's to do all the things we've discussed</p> <p>22 before that -- you know, to see to it that they get</p> <p>23 the returns on their investments and that their</p> <p>24 ability to manage a multi-bout career progression</p> <p>25 is not interfered with.</p>
<p style="text-align: right;">345</p> <p>1 Q. So all things equal, the higher the</p> <p>2 mobility costs in your example the higher the</p> <p>3 monopsony power of the firms, correct?</p> <p>4 MR. WIDNELL: Objection, form.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Yeah. It depends on how we make the</p> <p>7 mobility costs and things like that. It depends on</p> <p>8 what we do with the mobility costs.</p> <p>9 Q. We raise the costs. So go back to my toll</p> <p>10 example. Assume that the Berlin Wall costs \$100 to</p> <p>11 get from one side to the other and now assume it</p> <p>12 costs a thousand dollars to get from one side to</p> <p>13 the other. As compared to the world where it costs</p> <p>14 a hundred dollars to the world where it costs a</p> <p>15 thousand dollars, the firms in the world where it</p> <p>16 costs a thousand dollars would have a higher degree</p> <p>17 of monopsony power than the -- all things equal,</p> <p>18 than the firms in the world where it costs a</p> <p>19 hundred dollars.</p> <p>20 A. I think what you're trying to establish is</p> <p>21 that the people on my side of the wall have fewer</p> <p>22 places -- because there's only two places, have</p> <p>23 fewer places at which they can work and that</p> <p>24 affects the wage that I have to pay to get them to</p> <p>25 work for me, and I agree with that.</p>	<p style="text-align: right;">347</p> <p>1 Q. And one way in which they achieve those</p> <p>2 ends is by restricting the mobility of the workers,</p> <p>3 correct?</p> <p>4 A. In the sense that I just used, yes.</p> <p>5 Q. And so in that sense even these smaller</p> <p>6 promotions can use these contracts to gain some</p> <p>7 measure of monopsony power; is that right?</p> <p>8 A. No.</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>

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<p style="text-align: right;">348</p> <p>1 MR. CRAMER: All right. I'd like to mark 2 as the next exhibit a piece of the testimony from 3 Scott Coker in this case. What exhibit? 4 THE REPORTER: 10. 5 (Topel Exhibit 10 was marked 6 as requested.) 7 BY MR. CRAMER: 8 Q. What you've just been handed is 9 Exhibit 10. 10 A. Yep. 11 Q. It is a portion of the transcript of the 12 deposition of Scott Coker that was taken August 13 3rd, 2017 and it was taken in this case. 14 A. This is the Bellator fellow? 15 Q. And Strike Force. He was at both. 16 A. Okay. 17 Q. Did you have an opportunity to review this 18 deposition transcript? 19 A. Not in its entirety. 20 Q. You read some of it? 21 A. Some of it, yeah. I believe so. 22 Q. Turn to page 245 of the transcript which 23 is on the third -- it's the third page of the 24 exhibit. Do you see that on the bottom right-hand 25 corner?</p>	<p style="text-align: right;">350</p> <p>1 [REDACTED] 2 [REDACTED] 3 [REDACTED] 4 [REDACTED] 5 [REDACTED] 6 [REDACTED] 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>
<p style="text-align: right;">349</p> <p>1 A. You said 245, right? 2 Q. Yes. 3 A. 245 is the bottom right of the second 4 page. 5 Q. Yes. 6 A. Okay. 7 Q. After the title page. 8 All right. I'm going to draw your 9 attention to the testimony beginning at line 3 on 10 page 245, and I'll read it into the record and then 11 we can discuss it. 12 [REDACTED] 13 [REDACTED] 14 [REDACTED] 15 [REDACTED] 16 [REDACTED] 17 [REDACTED] 18 [REDACTED] 19 [REDACTED] 20 [REDACTED] 21 [REDACTED] 22 [REDACTED] 23 [REDACTED] 24 [REDACTED] 25 [REDACTED]</p>	<p style="text-align: right;">351</p> <p>1 [REDACTED] 2 Q. All right. You can put that aside. 3 Have you seen evidence that -- in the 4 record that certain MMA promotions other than 5 Zuffa, smaller MMA promotions have said that they 6 would abandon certain of the contractual provisions 7 if the UFC would? 8 A. That sounds like something that might get 9 you in antitrust trouble anyway, but the -- I 10 haven't seen statements to that effect, but I'm 11 sure you'll show me. 12 MR. CRAMER: Okay. All right. I'm going 13 to have the court reporter mark as the next exhibit 14 a series of e-mails. 15 (Topel Exhibit 11 was marked 16 as requested.) 17 BY MR. CRAMER: 18 Q. The court reporter has marked as 19 Exhibit 11 a two-page document bearing the Bates 20 range ZFL-1904802 through 4803, and I'd like to 21 draw your attention to the e-mail at the bottom of 22 the page from Michael Chiappetta to Anthony Evans 23 at the UFC. 24 A. Yes. 25 Q. And then I'm particularly talking about</p>

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<p style="text-align: right;">352</p> <p>1 the run -- one at 4:43 p m. from Chiappetta who is</p> <p>2 talking about a conversation he had with Bjorn</p> <p>3 Rebney. Bjorn Rebney was the head of Bellator at</p> <p>4 the time and this is dated September 25th, 2012.</p> <p>5 And I'd like to turn your attention to the next</p> <p>6 page where Chiappetta, who is a reporter, is</p> <p>7 reporting a conversation that Chiappetta had with</p> <p>8 Rebney to the UFC.</p> <p>9 A. Can I -- can I just read the rest of</p> <p>10 this.</p> <p>11 Q. Please do.</p> <p>12 (Witness reviewing document.)</p> <p>13 BY THE WITNESS:</p> <p>14 A. Remind me who Mike is because you've only</p> <p>15 got a Gmail address.</p> <p>16 Q. Mike Chiappetta is an MMA reporter.</p> <p>17 Anthony Evans is an executive at the UFC.</p> <p>18 A. So he's conveying some conversation that</p> <p>19 he had with somebody at Bellator; is that what he's</p> <p>20 doing?</p> <p>21 Q. Correct. Chiappetta communicated with</p> <p>22 Bjorn Rebney, who was the President of Bellator at</p> <p>23 the time, and then he's communicating a</p> <p>24 conversation that Chiappetta had with Rebney to the</p> <p>25 UFC. And on the second page of the e-mail --</p>	<p style="text-align: right;">354</p> <p>1 these clauses is to protect the investments that</p> <p>2 have already occurred.</p> <p>3 Now, on the first page here it says that</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 is -- it's an equilibrium where this contract</p> <p>10 restriction has not been used. It could be still</p> <p>11 binding, but it hasn't been used.</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 Q. Is it your opinion that if the UFC has</p> <p>17 never during -- had never during a right to match</p> <p>18 period matched a rival's bid that that would mean</p> <p>19 the right to match clause had no effect in the</p> <p>20 marketplace?</p> <p>21 A. That was the implication that I was trying</p> <p>22 to convey at the end of my answer. That doesn't</p> <p>23 mean that it's not binding. It doesn't mean that</p> <p>24 it doesn't have an effect. It's not -- it's not</p> <p>25 put into the contracts for nothing. It serves a</p>
<p style="text-align: right;">353</p> <p>1 A. He says "Eventually"; is that sentence</p> <p>2 you'd like me to read?</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 Q. Do you know whether Zuffa eliminated the</p> <p>11 right to match clause in response to Rebney's</p> <p>12 challenge?</p> <p>13 MR. WIDNELL: Objection, form.</p> <p>14 BY THE WITNESS:</p> <p>15 A. Well, you know, I don't know if there was</p> <p>16 an actual challenge. This is being relayed by a</p> <p>17 reporter. We know how sometimes that can get</p> <p>18 muddled. But I don't know if this is in -- this</p> <p>19 sounds like it's in the context of a particular</p> <p>20 transaction, but, you know, one wouldn't be</p> <p>21 surprised if some competitor would say, hey, you've</p> <p>22 invested a lot in all these folks, wouldn't you</p> <p>23 like to get rid of this clause because then, you</p> <p>24 know, it would give us greater access to the people</p> <p>25 you've invested in. That's the point of having</p>	<p style="text-align: right;">355</p> <p>1 purpose.</p> <p>2 Q. So even if the right to match clause has</p> <p>3 never been, quote/unquote, used, it's still having</p> <p>4 an effect in the marketplace, correct?</p> <p>5 A. It could be having an effect in the</p> <p>6 marketplace even if they've never had to invoke.</p> <p>7 Q. And why is that?</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 Q. Sounds to me like that answer said the</p> <p>18 right to match is not doing any work. How is the</p> <p>19 right to match doing any work, procompetitive work</p> <p>20 or anticompetitive work, economic work if Zuffa</p> <p>21 would just outbid any potential rival? Why doesn't</p> <p>22 Zuffa just get rid of the right to match, then, if</p> <p>23 it knows it can just outbid any rival?</p> <p>24 A. Well, we go through this in my report.</p> <p>25 [REDACTED]</p>

23 (Pages 352 to 355)

<p style="text-align: right;">356</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 if it came down to, oh, why don't they just -- why</p> <p>4 don't they just outbid, well, if Bellator makes its</p> <p>5 best offer and it knows that Zuffa will match,</p> <p>6 then, you know, the returns to making its best</p> <p>7 offer aren't as high as otherwise. Now, take</p> <p>8 that -- take away the right to match and you come</p> <p>9 back to the example that I have in my report about</p> <p>10 the holdup problem where you're more valuable to</p> <p>11 Zuffa, the athlete knows it. So now you've got a</p> <p>12 bilateral negotiation where there's no determinant</p> <p>13 solution in economics except that it's going to be</p> <p>14 somewhere in between and depends on the relative</p> <p>15 intransigence of the two parties where you're going</p> <p>16 to end up.</p> <p>17 Q. So you just said --</p> <p>18 A. Let me finish. So I said that the -- what</p> <p>19 I've just described is the holdup problem that's in</p> <p>20 my report that the right of first refusal is</p> <p>21 designed to avoid.</p> <p>22 Q. One of the things you said is that if</p> <p>23 Bellator makes its best bid during a UFC right to</p> <p>24 match period the returns to Bellator to making that</p> <p>25 bid aren't as high as they would be without the</p>	<p style="text-align: right;">358</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 different once the right to match period expires</p> <p>4 than during the right to match?</p> <p>5 A. They could be, though there's a question</p> <p>6 of why Bellator make an offer in the right to match</p> <p>7 period and they're gaining information about this</p> <p>8 fighter from the fact that -- it's your</p> <p>9 hypothetical. There's no contract between Zuffa</p> <p>10 and the fighter a year after the end of his</p> <p>11 contract. So you're -- Bellator's looking at that</p> <p>12 at the end and saying, you know, winner's curse</p> <p>13 might be operative here. So if we win what is it</p> <p>14 that Zuffa knew about this fighter that we don't.</p> <p>15 Q. Well, assume that Zuffa made a bid and the</p> <p>16 fighter didn't accept it.</p> <p>17 A. Okay.</p> <p>18 Q. I'll withdraw it. I'm going to move on.</p> <p>19 Would you agree with me that the conduct</p> <p>20 engaged in by a firm without market power could</p> <p>21 be -- could have anticompetitive effects when that</p> <p>22 same conduct is engaged in by a firm with market</p> <p>23 power?</p> <p>24 A. That's conceivable.</p> <p>25</p>
<p style="text-align: right;">357</p> <p>1 right-to-match period in place; is that right?</p> <p>2 A. No. I just said given that the right to</p> <p>3 match is there, Bellator has to make a calculation</p> <p>4 that says here's what this athlete is worth to us</p> <p>5 and let us assume -- and that's the assumption of</p> <p>6 my example -- that the athlete is worth more</p> <p>7 because of past investments to Zuffa than to</p> <p>8 Bellator. So in making this offer you're not</p> <p>9 certain of what the value to Zuffa is, but it's</p> <p>10 very likely to be higher. So I put all the -- I</p> <p>11 put all the numbers into a contract, the athlete</p> <p>12 takes the contract to Zuffa, and Zuffa says done,</p> <p>13 we'll pay that, and that's our right of first</p> <p>14 refusal. And so we can invoke that.</p> <p>15 Q. So what effect, in your view, does that</p> <p>16 have Bellator's incentives to make a bid?</p> <p>17 A. Bellator may have -- well, relative to</p> <p>18 what because I don't -- if -- if it's -- I think we</p> <p>19 went over this yesterday. Suppose we canceled the</p> <p>20 right -- in one guy's contract, everybody else's</p> <p>21 contract stays the same. I know we did this --</p> <p>22 Q. I think I can make it easier.</p> <p>23 A. I know we did this yesterday.</p> <p>24 Q. We did. I think I can just make it</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">359</p> <p>1 Q. How is that conceivable?</p> <p>2 A. Well, take the -- I mean, often in</p> <p>3 contract disputes under section 2, like exclusive</p> <p>4 dealing or loyalty discounts or something like</p> <p>5 that, under certain prerestrictive conditions</p> <p>6 things that have procompetitive effects can also</p> <p>7 have anticompetitive effects if certain conditions</p> <p>8 are satisfied.</p> <p>9 Q. Well, is bundling -- product bundling one</p> <p>10 of those examples? Product bundles has many</p> <p>11 procompetitive effects and when engaged in by a</p> <p>12 firm without market power in any of the markets in</p> <p>13 which the products they're bundling --</p> <p>14 MR. WIDNELL: Objection, form.</p> <p>15 BY MR. CRAMER:</p> <p>16 Q. I'll rephrase. Could bundling be one of</p> <p>17 those examples where product bundling can be</p> <p>18 anticompetitive when engaged in by a firm with</p> <p>19 market power and procompetitive when engaged in by</p> <p>20 a firm without market power?</p> <p>21 A. Yes, that's -- I mean, that and a myriad</p> <p>22 of other examples under section 2.</p> <p>23 MR. WIDNELL: I just want to make clear,</p> <p>24 you're asking for an economic opinion here, not a</p> <p>25 legal opinion; is that right?</p>

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<p style="text-align: right;">360</p> <p>1 MR. CRAMER: Yes. I'm not asking for any</p> <p>2 legal opinion.</p> <p>3 MR. WIDNELL: Okay. I just want to</p> <p>4 avoid --</p> <p>5 THE WITNESS: Yep, that's fine.</p> <p>6 MR. WIDNELL: -- making that objection</p> <p>7 over and over.</p> <p>8 THE REPORTER: Guys.</p> <p>9 BY MR. CRAMER:</p> <p>10 Q. Turn to paragraph 43, please. All right.</p> <p>11 In paragraph 43 you quote a document. I believe</p> <p>12 it's the Deutsche -- one of the Deutsche Bank</p> <p>13 documents and I'm just looking for that. All</p> <p>14 right. Towards the middle of paragraph 43 you say</p> <p>15 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p style="text-align: right;">362</p> <p>1 MR. WIDNELL: I just want to briefly note</p> <p>2 an objection for completeness.</p> <p>3 MR. CRAMER: Okay.</p> <p>4 BY MR. CRAMER:</p> <p>5 Q. If there's something as you read through</p> <p>6 this document that you think is missing, please let</p> <p>7 me know. Okay?</p> <p>8 A. Okay. Sorry.</p> <p>9 MR. WIDNELL: Just to be clear, it's not</p> <p>10 in the document. The document was an attachment to</p> <p>11 an e-mail.</p> <p>12 MR. CRAMER: Oh, okay. Fair enough.</p> <p>13 BY MR. CRAMER:</p> <p>14 Q. Fair to say in your report you don't cite</p> <p>15 any e-mail that attaches this document, right?</p> <p>16 A. Not that I'm aware of.</p> <p>17 Q. Okay.</p> <p>18 All right. On page 16 under the heading</p> <p>19 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
<p style="text-align: right;">361</p> <p>1 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>6 Q. All right. I'm going to show you the</p> <p>7 document that Dr. Singer was quoting and have it</p> <p>8 marked as Exhibit 12.</p> <p>9 (Topel Exhibit 12 was marked</p> <p>10 as requested.)</p> <p>11 BY MR. CRAMER:</p> <p>12 Q. And I'll note that you cite this document</p> <p>13 in footnote 45.</p> <p>14 A. Okay.</p> <p>15 Q. It is entitled "UFC/Zuffa, LLC DBA</p> <p>16 Ultimate Fighting Championship, Confidential</p> <p>17 Information Memorandum." It's dated October 2009</p> <p>18 and it was put out by Deutsche Bank. You've seen</p> <p>19 this document before, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And you recognize that Zuffa management</p> <p>22 had input into this document, correct?</p> <p>23 A. One would assume.</p> <p>24 Q. All right. Turn to page 16 internally to</p> <p>25 the document.</p>	<p style="text-align: right;">363</p> <p>1 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>13 Q. And is it your view that -- strike that.</p> <p>14 I believe you testified that it is your</p> <p>15 opinion that Zuffa is the market leader among MMA</p> <p>16 promoters; is that right?</p> <p>17 A. Yes.</p> <p>18 Q. And would you agree that that was the case</p> <p>19 since 2001?</p> <p>20 A. I don't recall the circumstances</p> <p>21 completely in 2001. The market was pretty small.</p> <p>22 They might been the largest producer back then.</p> <p>23 Q. And that remained the case from the date</p> <p>24 of this document, October 2009, to the present,</p> <p>25 correct?</p>

25 (Pages 360 to 363)

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<p style="text-align: right;">364</p> <p>1 A. Correct, assuming the truth of what I just 2 agreed to. Back in 2001 the market was pretty 3 small. 4 Q. Okay. You can put that document aside for 5 the moment. I'm going to come back to it, but I'm 6 going to put it aside for the moment. 7 [REDACTED] 8 [REDACTED] 9 [REDACTED] 10 [REDACTED] 11 [REDACTED] 12 Q. Do you know who the audience of the 13 document was? 14 A. Probably potential lenders. 15 Q. And in putting together a document about 16 information relating to a company for potential 17 lenders one would need to be scrupulously accurate 18 about the information, correct? 19 A. Well, I mean, if I were creating a 20 document I would try to be accurate, you know, but 21 I've seen the disclaimers in documents like this 22 that say, you know, not everything in a document -- 23 in our document is -- we can't verify that it's -- 24 the total reliability of these things. There's all 25 kinds of caveats. I assume this was done under</p>	<p style="text-align: right;">366</p> <p>1 A. Yes. 2 Q. And you note they acquired WFA and WEC in 3 2006, right? 4 A. Yes. 5 Q. And Pride in 2007; is that right? 6 A. Yes. 7 Q. And Affliction in 2009; is that right? 8 A. Yes. 9 Q. And Strike Force in 2011; is that right? 10 A. Yes. 11 Q. Do you know if they acquired any other 12 promoters? 13 A. As I sit here I can't remember, but I 14 believe they have. I can't remember their names. 15 Q. In the last sentence of paragraph 173 you 16 say "At the time of these acquisitions each of the 17 acquired MMA promoters was either too small to 18 appreciably change Zuffa's market share in either 19 the input or output market, was exiting the market, 20 or both"; do you see that? 21 A. Yes. 22 Q. I'm trying to understand you provide two 23 different characterizations. One that the promoter 24 was too small to change Zuffa's market share in the 25 input or output market; in the other that it was</p>
<p style="text-align: right;">365</p> <p>1 standard business practice. Deutsche Bank was 2 involved and they would have been doing -- creating 3 this in the way they would have created it for 4 another organization. 5 Q. And they would attempt to be as accurate 6 as they possibly could be in this document, 7 correct? 8 A. They -- they would be as accurate as it 9 was valuable to be. There's costs to being 10 accurate. I assume that they -- they did a good 11 job here. 12 Q. It's fair to say that Deutsche Bank would 13 not want to make material misrepresentations in a 14 document like this to potential lenders, correct? 15 A. I think that would be a bad idea. 16 Q. All right. You can put that aside for the 17 moment. 18 Turn to paragraph 173, please. 19 A. Yes. 20 Q. Here you are discussing the promoters that 21 Zuffa acquired? 22 A. Yes. 23 Q. And you observe that Zuffa acquired 24 several MMA promotions between 2006 and 2011; is 25 that right?</p>	<p style="text-align: right;">367</p> <p>1 exiting the market at the time of the acquisition, 2 right? 3 A. Yes. It's an either/or. 4 Q. Either/or. So now I'm going to ask you 5 which explanations apply to which promotions. 6 A. Oh, dear. 7 Q. So WFA, did the acquisition of WFA 8 appreciably change Zuffa's market share in either 9 the input or output market? 10 A. My recollection from our calculations 11 using Dr. Singer's data is that it did not. 12 Q. Did the acquisition of WEC appreciably 13 change Zuffa's market share in either the input or 14 output market? 15 A. Our calculations are on the input side and 16 my recollection is that it didn't affect any of 17 Dr. Singer's -- materially affect any of 18 Dr. Singer's share calculations. 19 Q. It did not affect? 20 A. I'm trying to remember, but that's my 21 recollection. It has to affect it, right, but it 22 didn't affect it much. 23 Q. Right. You used the word "appreciably." 24 With respect to Pride, did that 25 appreciably change Zuffa's market share in either</p>

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<p style="text-align: right;">368</p> <p>1 the input or output market?</p> <p>2 A. Let me answer your question this way. I</p> <p>3 don't recall doing this firm by firm, acquisition</p> <p>4 by acquisition. We did his -- his foreclosure --</p> <p>5 so-called foreclosure shares and calculated it with</p> <p>6 these firms and without those firms.</p> <p>7 Q. And when you calculated the foreclosure</p> <p>8 share with all of these firms together versus a</p> <p>9 calculation without all of these firms, was there</p> <p>10 an appreciable change in foreclosure share?</p> <p>11 A. I think we have an exhibit to that effect</p> <p>12 and we said it was not an appreciable change.</p> <p>13 Q. So all of the acquisitions together, in</p> <p>14 your understanding, did not appreciably change</p> <p>15 Zuffa's market share in either the input or output</p> <p>16 market; is that what you're saying?</p> <p>17 A. Yes.</p> <p>18 Q. So is it fair to say that what you're</p> <p>19 saying is that all of these MMA promoters that</p> <p>20 Zuffa acquired were essentially insignificant as</p> <p>21 competitors to Zuffa?</p> <p>22 MR. WIDNELL: Objection, form.</p> <p>23 BY THE WITNESS:</p> <p>24 A. No. I didn't do an analysis of whether</p> <p>25 they were insignificant or could have been</p>	<p style="text-align: right;">370</p> <p>1 after all, you're bringing the athletes of one less</p> <p>2 well-known entity under the brand name of another</p> <p>3 entity. So it simply says here there -- they</p> <p>4 didn't change Zuffa's market share in the neither</p> <p>5 the input or the output market, appreciably change</p> <p>6 the market share in either the input or output</p> <p>7 market.</p> <p>8 Q. Did --</p> <p>9 A. I mean, was it a significant -- I don't</p> <p>10 know what the word "significant" means in this</p> <p>11 context. It was a competitor.</p> <p>12 Q. Did Strike Force have significant share of</p> <p>13 the input or output markets at the time it was</p> <p>14 taken over by Zuffa?</p> <p>15 A. Evidently not.</p> <p>16 Q. Did any of the rivals that Zuffa purchased</p> <p>17 as identified in paragraph 173 have a significant</p> <p>18 share of the input or output markets at the time</p> <p>19 they were purchased?</p> <p>20 MR. WIDNELL: Objection, form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. As I said, I didn't do the calculations</p> <p>23 firm by firm. They certainly weren't as big as</p> <p>24 Zuffa.</p> <p>25 Q. Is it fair to say that none of the</p>
<p style="text-align: right;">369</p> <p>1 significant or anything like that. I'm just saying</p> <p>2 that it doesn't affect -- including them doesn't</p> <p>3 much affect Dr. Singer's calculations of his</p> <p>4 so-called foreclosure.</p> <p>5 Q. So you have -- you have no opinion one way</p> <p>6 or another whether, for example, Zuffa's</p> <p>7 acquisition of Strike Force was the acquisition of</p> <p>8 a significant competitor or an insignificant</p> <p>9 competitor; am I right?</p> <p>10 MR. WIDNELL: Objection.</p> <p>11 BY THE WITNESS:</p> <p>12 A. It doesn't have a material impact on</p> <p>13 Zuffa's market share in the input or output market</p> <p>14 is what -- is what we say here. That's the opinion</p> <p>15 I'm offering.</p> <p>16 Q. So was Strike Force a significant</p> <p>17 competitor to Zuffa at the time that Zuffa</p> <p>18 purchased Strike Force in 2010 in your opinion?</p> <p>19 MR. WIDNELL: Objection, form.</p> <p>20 BY THE WITNESS:</p> <p>21 A. They were -- they were a competitor and</p> <p>22 competitors are often acquired. There can be</p> <p>23 synergies between the two firms that make the</p> <p>24 acquisition worthwhile and that are output</p> <p>25 increasing and consumer welfare increasing because,</p>	<p style="text-align: right;">371</p> <p>1 competitors that Zuffa purchased that you</p> <p>2 identified in paragraph 173, in your view, had been</p> <p>3 able to challenge Zuffa's dominance in either the</p> <p>4 input or output markets?</p> <p>5 MR. WIDNELL: Objection, form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. Well, I don't know what it means to</p> <p>8 challenge dominance. I've seen dominance used in</p> <p>9 the context that noneconomists would use it. Zuffa</p> <p>10 has a level of market share in a position in the</p> <p>11 market.</p> <p>12 Q. Is it fair to say --</p> <p>13 A. It's been pretty stable over time.</p> <p>14 Q. Is it fair to say that none of the</p> <p>15 promoters that Zuffa acquired, in your view, have</p> <p>16 been able to successfully challenge Zuffa's market</p> <p>17 share and market position that you say has been</p> <p>18 stable over time in either the input or output</p> <p>19 markets?</p> <p>20 MR. WIDNELL: Objection, form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. Well, it's fair to say that these acquired</p> <p>23 firms did not grow to be as large as Zuffa.</p> <p>24 Q. Did any of these firms in your opinion as</p> <p>25 an economist before they were purchased by Zuffa</p>

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<p style="text-align: right;">372</p> <p>1 present a competitive threat to the UFC?</p> <p>2 A. They might have. I think all firms in</p> <p>3 this market present a competitive threat to UFC.</p> <p>4 Q. So when Zuffa purchased Strike Force, for</p> <p>5 example, it was eliminating, in your opinion, a</p> <p>6 competitive threat; is that right?</p> <p>7 A. Well, no. The -- take Strike Force, for</p> <p>8 example. You know, everybody in the -- if they</p> <p>9 bought some small firm there's some competition</p> <p>10 from that firm, that's all I'm saying. I mean, we</p> <p>11 wouldn't want to say that these firms are in the</p> <p>12 market and they don't compete with Zuffa. They</p> <p>13 were competing for athletes, they were competing</p> <p>14 for eyeballs, they were competing, and the question</p> <p>15 is whether it was addressed by antitrust</p> <p>16 authorities and the like is whether these</p> <p>17 acquisitions materially affected competition in the</p> <p>18 market. Evidently they found that they didn't.</p> <p>19 So -- but these were -- these were firms operating</p> <p>20 and there are always benefits and potential costs</p> <p>21 of allowing acquisitions.</p> <p>22 Q. At the time that Strike Force was</p> <p>23 purchased in 2010, did Strike Force, in your</p> <p>24 opinion as an economist, present a significant</p> <p>25 economic threat to the UFC?</p>	<p style="text-align: right;">374</p> <p>1 not profitable and doesn't do business in the</p> <p>2 United States?</p> <p>3 Q. Is it your opinion that Bellator has</p> <p>4 substantial market share and is profitable?</p> <p>5 A. It's -- it's got a substantial position in</p> <p>6 the market and it seems to be surviving.</p> <p>7 Q. Is it your opinion that Bellator is</p> <p>8 profitable currently?</p> <p>9 A. Well, it's an ongoing entity. So the</p> <p>10 present discounted value of what those investors</p> <p>11 think that this project is worth must be</p> <p>12 positive.</p> <p>13 Q. Is it your opinion that the revenues that</p> <p>14 Bellator brings in in any year exceed the costs of</p> <p>15 running the organization in that year?</p> <p>16 A. I've not looked at the balance sheets of</p> <p>17 Bellator, but given that they're still in business,</p> <p>18 there must be some anticipation of positive cash</p> <p>19 flow even if it's negative today.</p> <p>20 Q. So you're saying that it's your</p> <p>21 understanding that there's an anticipation that</p> <p>22 Bellator will one day be profitable, but you don't</p> <p>23 understand that Bellator's profitable today; is</p> <p>24 that right?</p> <p>25 MR. WIDNELL: Objection, form.</p>
<p style="text-align: right;">373</p> <p>1 MR. WIDNELL: Objection, form.</p> <p>2 BY THE WITNESS:</p> <p>3 A. Not such a threat that the acquisition</p> <p>4 would have -- would have materially affected</p> <p>5 competition to the detriment of consumers and --</p> <p>6 and fighters.</p> <p>7 Q. Did Pride at the time it was purchased</p> <p>8 present a significant economic competitive threat</p> <p>9 to Zuffa at the time it was purchased?</p> <p>10 A. And my answer's the same.</p> <p>11 Q. Would it be the same for all of the</p> <p>12 entities?</p> <p>13 A. Yes.</p> <p>14 Q. Is it fair to say that even if we put the</p> <p>15 promoters that Zuffa acquired aside --</p> <p>16 A. Let me finish -- let me say -- I should</p> <p>17 have put the word "adversely" affect competition.</p> <p>18 Q. Is it fair to say, putting the promoters</p> <p>19 that Zuffa acquired aside, that your report does</p> <p>20 not identify a single MMA promotion other than</p> <p>21 Zuffa that does business in the United States that</p> <p>22 had substantial market share and was profitable?</p> <p>23 MR. WIDNELL: Objection, form.</p> <p>24 BY THE WITNESS:</p> <p>25 A. Are we -- are we saying that Bellator's</p>	<p style="text-align: right;">375</p> <p>1 BY THE WITNESS:</p> <p>2 A. Well, I'm not -- I'm not offering an</p> <p>3 opinion of whether they have positive cash flow</p> <p>4 today.</p> <p>5 Q. When in your --</p> <p>6 A. Just as Zuffa did not have positive cash</p> <p>7 flow when it was a young and nascent participant in</p> <p>8 this market.</p> <p>9 Q. When, in your opinion, did Bellator come</p> <p>10 to have significant market share in the United</p> <p>11 States?</p> <p>12 A. I don't recall the time series on</p> <p>13 Bellator's market share. I recall that they have</p> <p>14 television contracts. They're backed by Viacom and</p> <p>15 so on.</p> <p>16 Q. Putting Bellator aside for the moment, can</p> <p>17 you identify another MMA promotion that does</p> <p>18 business in the United States that has significant</p> <p>19 market share, in your opinion, and is profitable?</p> <p>20 A. Well, a lot of these must be profitable.</p> <p>21 King of the Cage has been around putting on dozens</p> <p>22 of events every year for many years. There's a</p> <p>23 long list of promoters that are -- that are doing</p> <p>24 this and -- you know, the market share you're</p> <p>25 referring to is very limited in its scope because</p>

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<p style="text-align: right;">428</p> <p>1 A. Let's suppose we had a case that -- let me 2 see if I can help you out or you can help me out or 3 we can help each other out. 4 Q. Good. 5 A. Suppose there's a regression of wages on 6 some all-agreed-upon conduct indicator. Okay? So 7 there's -- and there's a before and after. 8 Q. Okay. 9 A. And we say that wages were 2 percent lower 10 controlling for other stuff in the conduct period, 11 okay, and we're not doing anything about the -- 12 forget critiques of whether the conduct -- and 13 suppose it was a really good controlled experiment 14 before and after. 15 Q. Fair enough. 16 A. Then there's a 2 percent impact of the 17 conduct, okay, which, as I just said, we're all 18 going to agree that this is right -- the right way 19 to measure the conduct. 20 Q. Understood. 21 A. Then one would need the stipulation along 22 with that that the practices in question didn't 23 have some offsetting impact that would have raised 24 pay because -- but we have a before and after 25 that's the conduct period. So we've really taken</p>	<p style="text-align: right;">430</p> <p>1 A. For the experiment we just did, you know, 2 we controlled for growth and other stuff and it was 3 just the -- I think if we understand each other, 4 it's a 2 percent reduction in wages. So give them 5 2 percent of their wages. 6 Q. Let's say that the conduct in question had 7 another effect -- strike that. I get it. I'll 8 move on. 9 Paragraph 108, please. You state in 10 paragraph 108 on page 47 -- I think I have the 11 wrong paragraph here. Oh, I mean paragraph 109. 12 You quote or paraphrase something from 13 Dr. Singer. You say "As Dr. Singer notes, athletes 14 value the opportunity to develop their careers by 15 fighting against highly-ranked opponents and 16 audiences are drawn to fights among highly ranked 17 opponents"; do you see that? 18 A. Yes. 19 Q. Do you agree with Dr. Singer's 20 observation? 21 A. That people want to fight highly ranked 22 opponents? 23 Q. Yes. 24 A. Well, they want to fight highly-ranked 25 opponents when they think they're ready to fight</p>
<p style="text-align: right;">429</p> <p>1 that into account. 2 Q. So let's say in your example with the 3 well-specified regression showing a 2 percent 4 decrease in wages after when compared to before 5 that revenues were different in the after period 6 and the before period. Would you multiply the 2 7 percent times the amount of revenues that you 8 thought would be existing in the but-for world or 9 the amount of revenues that would be existing in 10 the actual world? 11 MR. WIDNELL: Objection, form. 12 BY THE WITNESS: 13 A. Okay. Well, see, you know, I didn't 14 succeed in getting us on the same page because you 15 just multiplied by revenues. So revenues just came 16 sneaking in through the back door. It was a 17 2 percent change in their pay, their compensation, 18 their salary. 19 Q. Okay. I understand. 20 A. Revenues is gone. 21 Q. All right. Understood. Okay. So do you 22 multiply, then, by the total amount of compensation 23 paid to the workers in the actual world or the 24 total amount of compensation you believe would have 25 been paid to the workers in the but-for world?</p>	<p style="text-align: right;">431</p> <p>1 highly-ranked opponents. 2 Q. And are audiences drawn to fights among 3 highly-ranked opponents? 4 A. I think -- I think ratings are higher. I 5 think there was some evidence that ratings are 6 higher when highly-ranked people fight against each 7 other. 8 Q. Do you agree that MMA fighters value the 9 ability to develop their careers by fighting 10 against highly-ranked opponents when they're ready 11 to fight them? 12 A. Yeah. I think that's why they sign up. 13 That's one of the reasons they sign up. 14 Q. Is it fair to say that a fighter can't -- 15 cannot advance in the rankings unless that 16 fighter's able to fight other fighters that are 17 ranked higher than them, right? 18 MR. WIDNELL: Objection, form. 19 BY THE WITNESS: 20 A. I don't think that's literally true, but 21 you don't have to fight somebody higher than you to 22 move up. 23 Q. But in order to substantially move up in 24 the rankings, all things equal, it would be better 25 for you to fight higher ranked fighters, correct?</p>

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<p style="text-align: right;">432</p> <p>1 MR. WIDNELL: Objection, form. 2 BY THE WITNESS: 3 A. Since I don't know exactly how the ratings 4 or the rankings happen, let's assume they're like 5 college football rankings, then you take into 6 account the types of opponents you've had and how 7 you did and somebody has a formula that tries to 8 take that into account. Same thing with golf 9 rankings and all sorts of things. 10 Q. All things equal, consumers will be 11 willing to pay more to see highly-ranked opponents 12 fight than lower-ranked opponents fight; is that 13 fair? 14 MR. WIDNELL: Objection, form. 15 BY THE WITNESS: 16 A. In every instance, no, but on average 17 probably yes. 18 Q. Higher ranked fighters, all things equal, 19 generate more revenues when they fight than 20 lower-ranked fighters, correct? 21 MR. WIDNELL: Objection, form. 22 BY THE WITNESS: 23 A. Not always, but on average that's probably 24 true. 25 Q. Turn to paragraph 96, please. In the</p>	<p style="text-align: right;">434</p> <p>1 platform that has been successful in attracting the 2 top athletes and that complementarity plays a 3 role. 4 Q. How do you define "significant share" as 5 you use that term in this sentence? 6 A. All other things equal, a firm that is 7 attracting the top athletes will see its share 8 among the top athletes rise. 9 Q. And that's because fighters generally have 10 an interest in competing against the best fighters, 11 right? 12 A. Well, that's part of it, but the 13 complementarity is there's more energy created when 14 you put the good fighters against each other. So 15 the -- the customers like that too. 16 Q. And those are the fights that would likely 17 lead to career advancement and higher compensation 18 ultimately, correct? 19 MR. WIDNELL: Objection, form. 20 BY MR. CRAMER: 21 Q. The ones with higher energy. 22 A. Broadly speaking. 23 Q. Broadly speaking, yes? 24 A. Broadly speaking, if I -- if I'm 25 successful against higher-ranked people, I will</p>
<p style="text-align: right;">433</p> <p>1 first sentence after the dash you state "There is a 2 natural tendency for a leading promoter to attract 3 a significant share of the top athletes?" 4 A. Yes. 5 Q. "This follows," you say, "from the 6 complimentarity of athlete talents in producing 7 high-quality bouts" -- 8 A. That's the point we just made. 9 Q. -- "and the desire among athletes to fight 10 against the best"; do you see that? 11 A. Yes. 12 Q. And you agree with that? 13 A. Yes. 14 Q. Can you please explain the natural 15 tendency for a leading promoter to attract a 16 significant share of the top athletes. What does 17 that mean? 18 A. It means that athletes -- their talents 19 are complementary, that the good athletes want to 20 be in the places where the -- where the other good 21 athletes are so they can fight them. And then 22 it's -- it's kind of a feedback system that you 23 attract some of the good athletes, they fight well, 24 it makes it more attractive for the other good 25 athletes, and so on. So Zuffa kind of runs a</p>	<p style="text-align: right;">435</p> <p>1 probably advance more and get paid more and so on, 2 as I understand the process. 3 Q. You can put that paragraph aside. 4 Would you agree with me that by 5 restricting fighter mobility used the challenged 6 contracts Zuffa's made it more difficult for other 7 MMA promotions to access UFC's top fighters, all 8 things equal? 9 A. No. 10 Q. Are you aware that Zuffa and banks working 11 with Zuffa have seen the challenged contracts and 12 describe the challenged contracts as barriers to 13 entry to rivals? 14 A. I think I know what you're -- to what you 15 are referring and I wouldn't characterize it that 16 way. 17 Q. All right. Would you take a look at what 18 has been marked as Exhibit 12. We marked it 19 earlier today. It was in the pile in front of you. 20 A. Exhibit -- 21 Q. 12. It is the -- 22 A. It's the Deutsche Bank? 23 Q. Correct. 24 A. What page do you want? 25 Q. I would like you to turn to page 7 of the</p>

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44 (Pages 436 to 439)

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<p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>440</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 MR. CRAMER: All right. I'd like to show</p> <p>21 you -- or have marked as Exhibit 17 the next</p> <p>22 document.</p> <p>23 (Topel Exhibit 17 was marked</p> <p>24 as requested.)</p> <p>25 BY MR. CRAMER:</p>
<p>441</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p>443</p> <p>1 Q. Exhibit 17 is a two-page series of e-mails</p> <p>2 bearing the Bates range WME-Zuffa-00013978 through</p> <p>3 979. The cover e-mail is from Brent Richard to</p> <p>4 Al Pfizenmaier and its subject is "Risks and</p> <p>5 mitigants" and it's dated --</p> <p>6 A. I'm a little confused. This one says it's</p> <p>7 from Brent Richard to Brent Richard. So...</p> <p>8 Q. -- and it's dated March 20, 2016. There's</p> <p>9 an e-mail at the bottom that he must have been</p> <p>10 sending it to himself --</p> <p>11 A. That's my --</p> <p>12 THE REPORTER: One at a time, please.</p> <p>13 THE WITNESS: Sorry.</p> <p>14 BY MR. CRAMER:</p> <p>15 Q. Do you know who Brent Richards is?</p> <p>16 A. It says here he's the global head of M&A</p> <p>17 at WME and IMG.</p> <p>18 Q. Okay. And you've seen this document</p> <p>19 before, right?</p> <p>20 A. Yeah, I probably saw this. I've seen</p> <p>21 thousands of documents.</p> <p>22 Q. Well, you rely upon it in your footnote 46</p> <p>23 and 407; is that right?</p> <p>24 A. Let's take a look at it, footnote 46 and</p> <p>25 407. What is this supporting -- okay. Okay. And</p>

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<p style="text-align: right;">444</p> <p>1 then what's the other footnote?</p> <p>2 Q. 407.</p> <p>3 A. Okay. Somewhere on there -- there it is.</p> <p>4 Okay. Same quote. It appears twice.</p> <p>5 Q. Okay.</p> <p>6 A. Yes.</p> <p>7 Q. So you -- you believe this document is a</p> <p>8 reliable source of information about Zuffa; is that</p> <p>9 fair?</p> <p>10 MR. WIDNELL: Objection, form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I believe that Dr. Singer quoted it in the</p> <p>13 context that it was used by him.</p> <p>14 Q. And you quote from it too, right?</p> <p>15 A. Well, I'm quoting -- didn't he quote that?</p> <p>16 Q. I'm sure that he did, and you did as well.</p> <p>17 A. That's his -- that's his quote. So I'm</p> <p>18 quoting him.</p> <p>19 Q. All right. Do you believe that this</p> <p>20 document is a reliable source of information</p> <p>21 regarding Zuffa's business practices?</p> <p>22 A. I think it's a reliable source of</p> <p>23 information for that quote that was provided by</p> <p>24 Dr. Singer.</p> <p>25 Q. Okay.</p>	<p style="text-align: right;">446</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>
<p style="text-align: right;">445</p> <p>1 A. What -- what part are you pointing to?</p> <p>2 And then we can talk about it.</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 [REDACTED]</p> <p>17 [REDACTED]</p> <p>18 [REDACTED]</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p>	<p style="text-align: right;">447</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 Q. You can put that aside.</p> <p>14 A. Okay.</p> <p>15 Q. Turn to footnote 233 on page 72 of your</p> <p>16 report.</p> <p>17 A. Footnote 233?</p> <p>18 Q. Yeah. In the first sentence of footnote</p> <p>19 [REDACTED]</p> <p>20 [REDACTED]</p> <p>21 [REDACTED]</p> <p>22 [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 Okay?</p> <p>25 (Witness reviewing document.)</p>

46 (Pages 444 to 447)